

UNITED STATES OF AMERICA

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FEDERAL COMMUNICATIONS COMMISSION

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FIELD HEARING

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BROADCAST LOCALISM HEARING

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SAN ANTONIO, TEXAS

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CHAIRMAN POWELL PRESIDING

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WEDNESDAY, JANUARY 28, 2004

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P R O C E E D I N G S

5:30 p.m.

CHAIRMAN POWELL: Welcome, Ladies and Gentlemen, to this Second Annual FCC Broadcast Localism Hearing. It's a pleasure to be here in San Antonio.

My name is Michael Powell. I serve as the Chairman of the Federal Communications Commission. I'm joined by my four distinguished colleagues, Commissioner Mike Copps —

(Applause.)

Clearly a hero to many.

Commissioner Kathleen Abernathy, Commissioner Kevin Martin, Commissioner Jonathan Adelstein.

(Applause.)

I see their family's here today.

(Laughter.)

I also want to especially thank San Antonio Mayor, Ed Garza, the members of the City Council and City Manager Terry Brechtel and the County Commissioners for welcoming us to this great and historic city and for making this grand facility here available to us. We're going to hear from the mayor in

just a few moments.

As most of you know, back in August we announced an initiative on localism and broadcasting. A critical part of that effort is for the Federal Communications Commission to leave Washington and talk to Americans about the system of broadcasting and how it serves their local communities.

We held our first hearing in Charlotte last October, and we will hold similar hearings in several cities throughout the country over the months ahead.

Before discussing localism, there are a few people in the audience I wish to recognize who bring to life the importance of public safety and Localism.

The first is Jay Kimbrough, Director of Homeland Security in the Governor's office here in Texas. We will also hear some welcoming remarks —

(Audience interruption.)

— I would like to say to the audience that in the spirit of civil discourse, which is what we're here to talk about, it would really be quite respectful to allow everyone — everyone who wishes to get an opportunity to speak.

In addition, as many of you know, this is the home of the Amber Alert System, and we are pleased to have with us tonight Tarrant County, Texas, Sheriff, Dee Anderson, one of the cofounders of Amber Alert, and Patricia Bradberry and her daughter Ray Lee, the first child ever saved by the Amber Alert System.

(Applause.)

Would you stand so we could recognize you.

(Applause.)

Thank you very much.

So what is this localism and why does the FCC care about it? In the broadcast sense, localism is the repre — the responsiveness of a broadcast station to the needs and interests of its community of license. Promoting localism is one of the highest principal reasons the FCC regulates broadcast television and radio in the first place.

Before a radio or television station can go on the air, it must receive a broadcast license from the Federal Communications Commission; and if the Commission determines the applicant is qualified to hold the license, one is issued.

In return, however, the licensee promises

to serve the public interest through its use of the license. A key part of the public interest is that the broadcaster air programming that is responsive to the community of license.

The public interest obligation applies uniquely to broadcasters and is what singularly distinguishes them from cable or satellite channels, although other obligations apply to these services as well.

The FCC has promoted localism in many ways. And today we're focusing on the behavioral component as to whether broadcasts serve the public interest.

The Commission has tried in the past to promote localism by requiring broadcasters to air certain kinds of programming and by imposing various procedural obligations such as ascertainment.

Over the years, many of these requirements have been modified or eliminated, and we seek here to determine anew, the level and character of local broadcast service being provided today and to consider what behavioral rules and policies the Commission might adopt or what legislative changes it might recommend to promote and improve the local service of broadcasters.

The one constant in all of this is a station's duty and service to the local community. Our hearings are an on-the-ground inspection of how the broadcast system is working for local communities. So specifically, we have three main objectives from these hearings.

First, we want to hear directly from members of the public on how they think their local broadcasters are doing, what you like, what you dislike, and what you think should be done differently.

Second, we want to hear from broadcasters about their efforts. I know many broadcasters are justifiably proud of their work to serve their communities, and we wish to hear from them as well.

And third, and perhaps most importantly, we want to educate members of the public on how they can participate at the Federal Communications Commission when a local station's license is up for renewal.

I see these hearings as an opportunity to bring these license renewals to life. It is one thing for us as Commissioners to sit at our desks in Washington and read dry rule applications, quite

another to talk directly to the public who listen to those stations every day. We wish to spread the word that renewals are not just a Beltway phenomenon. They are open to everyone who has something to say about their local stations.

So along these lines, I have asked the FCC staff to prepare a short primer on how to participate in the license renewal process. Those will be available to you on the tables in the back of the room. This primer is also located at our web site at www.fcc.gov/localism.

And, finally, I want to thank the panelists with us today, for taking the time to prepare testimony and join us this evening.

The participation of the community and the local broadcasters is critical if these hearings are to be meaningful, and I extend sincere thanks for your presence here tonight.

And, finally, I want to extend a welcome to the citizens of San Antonio who are here in attendance and have been our gracious host. And those of you watching and listening on TV and radio, we join you happily. We very much look forward to tonight's discussion.

Before moving forward, I'd like to acknowledge the Mayor of San Antonio, Mayor Ed Garza, for brief welcoming remarks. Mr. Mayor.

(Applause.)

MAYOR GARZA: Chairman Powell and Commissioners here today, I want to, first of all, welcome you to San Antonio. (In Spanish.) And welcome and thank the FCC Broadcast Localism Task Force to come to San Antonio and certainly hear from, I think, a very well-informed community.

The City takes an active role in legislative and regulatory process in Washington, D.C., and is honored to be chosen for tonight's public hearing. And I think San Antonio, not only is a city that celebrates its diversity, we believe we reflect many of the, certainly, aspirations and the issues that are of concern to people across America today, but I think we also represent a lot about the future of American cities. And some of the concerns that you'll hear tonight and some of the compliments, I think, really do represent a lot of the future exciting things that are going to be happening — that will be happening in the world of communications.

I'd first like to say that the importance

of citizen participation is critical, and, certainly, finding out what's taking place in local communities and the responsibility that the local media has. And it certainly is often a difficult balancing act for the media, balancing the consumer demands of a good story, which usually means plenty of conflict and probably plenty of violence.

But the media has a responsibility not to sensationalize the news. Citizens who see only crime stories on the news might not realize that we have just had one of our lowest murder rates in years.

San Antonio broadcasters also play an important civic role with news and public affairs programming, such as candidate debates and press conferences, many of which I participated in and this local community has been very engaged in certainly educating the public on many of the local issues.

And I would like to point out specifically one of the legends here in San Antonio, WOAI's Bud Little, who pays particular attention and is always accurate and fair in his presentation of information.

Morning call-in shows are also important, especially those that bring civic issues to the attention of new audiences. During the past few weeks,

I've reached out to some of the radio stations that have an audience that usually aren't as politically engaged, and just recently was on KZEP radio station, which plays classic rock and went to the station to be a co-host. I actually even sang a song to see if one of the listeners could guess which one that was. But that's the kind of communication I think that we as leaders have to challenge some of our, certainly, broadcasters in the San Antonio area.

On KZEP now, I actually come out every Monday morning giving our update on the soccer team that I play on promoting Fit City, and certainly wanting to bring a soccer team to San Antonio at the major league level, and I do appreciate, Mr. Chairman, your encouraging the local stations to cover the mayor's team, especially on a weekly basis.

The media has an additional responsibility to represent the community where their — their broadcasting certainly reaches out to a diverse community; and as I mentioned earlier, San Antonio is diverse. More than half our residents are of Hispanic descent. We, perhaps, are the most Hispanic city in the United States, nearing almost 60 percent.

But we're also a very mature community, a

community that has a low immigration population, and I think it represents a lot about the future trends and expectations on the communications side, especially in terms of bilingual communication. And here in San Antonio we have leadership, 12 Spanish-language television stations, and certainly, in Texas, a 60-percent increase in the number of Spanish-language formatted radio stations.

In San Antonio our radio stations also serve the community interest by promoting public safety. Certainly something that we take very seriously here in the area of Homeland Security with the recent challenges to communities. I have nothing but compliments to say about the local broadcasters in being partners with the City of San Antonio, Bexar County, our local emergency operation center, in terms of getting information out, certainly since September the 11th, but also when we have floods here in San Antonio, we have a very proactive broadcasting community that oftentimes breaks away and has live coverage, not just for 10 minutes or 15 minutes, but one to two hours or longer for the sake of getting information out to the public, very important, and certainly a partner in the community.

Many other examples, certainly with our fire department in getting information out, on public safety tips. As was mentioned earlier, the Amber System — Amber Alert system has been a wonderful example and San Antonio residents and surrounding residents have not only seen the benefit, but have been active participants in making that a success.

Local radio and television stations also support the community by hosting telethons, radiothons. You're going to hear from many of the groups. Whether their focus is on homeless and hunger, whether their focus is on housing, other important charities and issues, the local community has continued to come through. And I think that San Antonio, in that regard, does serve as a model where the broadcasters have partnered with the local non-for-profits and other state holders making sure that public awareness and key public issues is disseminated.

So, again, in conclusion, I hope that your hearing tonight is informative, that you can certainly get the feedback that you anticipate. On behalf of the citizens of San Antonio, we, again, welcome you to our city. We look forward to continuing this dialogue and certainly being advocates for a better broadcasting

system and a communication system that benefits the citizens today and the citizens of tomorrow. Thank you very much.

(Applause.)

CHAIRMAN POWELL: Thank you very much, Mr. Mayor, and on behalf of all my colleagues, thank you for being such a gracious host for this activity, and we'll push broadcasters to carry your pro — your games if you're sure that's quality programming. I haven't seen you play, but we'll assume so.

(Laughter.)

But we all have come to recognize the importance and — and new dilemmas facing us as a nation, in terms of homeland security and broadcasting has an important part to play in the informing of our citizens and the protection of our homelands. So we have with us here for Texas the Director Of Homeland Security, Jay Kimbrough, who wishes to speak briefly.

(Applause.)

MR. KIMBROUGH: Mr. Chairman, Members, thank you very much. And on behalf of Governor Rick Perry, I too, would like to welcome you to Texas and specifically to the beautiful City of San Antonio. The Governor is pleased, of course, that you've come to

San Antonio to hear what Texas broadcasters do for their communities and how they serve the public.

One of the best examples of how Texas broadcasters have made a huge difference in our lives occurred in 1997, when Dallas-area broadcasters and Sheriff Dee Anderson turned a local tragedy into a triumph of technology and cooperation by creating the nation's first Amber Alert using the emergency alert system.

Here in Texas, Governor Perry initiated a successful statewide Amber Alert plan. And, of course, just last year President Bush signed into law the national Amber Alert. As director of Governor Perry's Office of Homeland Security, I can tell you that we very much appreciate the broadcaster's cooperation and leadership on public safety matters.

Their assistance on Amber Alerts, weather warnings and working with state and local entities in disseminating emergency messages in the event of a terrorist incident or any other public safety crisis is imperative. Once again, Mr. Chairman and Members, welcome to Texas. Enjoy your time in San Antonio. Thank you. Good evening.

(Applause.)

CHAIRMAN POWELL: Thank you. Now I'd like to acknowledge each of my distinguished colleagues for brief opening remarks. Commissioner Abernathy?

COMMISSIONER ABERNATHY: (Inaudible, mic off.)

Thanks for the additional instructions. Thanks for inviting us here and for hosting us in such a great location and for all of you turning out tonight, broadcast licensees, citizens, all of you who care so much about these issues.

When it comes to broadcast licensees, whether you're small or large or regional or national, you have a duty to serve the local community, and I know that stations respond to this mandate in different ways. They may air public announcements, sponsor job and health fairs, cover local sports events, host fundraisers for local charities, and produce educational programming, and I know that some do a better job than others.

So why are we here tonight? Because we need to further explore whether we, as government regulators, are doing all that we can to ensure that stations serve their community. And I know that everyone who is attending this evening's hearing cares

about your local community or you wouldn't be here tonight.

And I also suspect that you want to better understand what it means for a local broadcaster to serve the public interest. I've heard concerns that some broadcasters have abandoned their public interest obligations and are only interested in their earnings reports. Other people are uncomfortable with some of the broadcast content, while still others object to a perceived government attempt to restrict free speech.

At the same time, I've heard from a number of charitable organizations that survive and thrive thanks to sponsorship from local broadcasters.

So I'm here tonight to listen and to learn. I'll listen to the broadcasters describe how they're do — how they believe they're serving our local communities, and then I want to know how you evaluate whether they're meeting your needs. Should we look only at the programming that's aired, or should we consider nonprogramming efforts as well, such as sponsoring local community activities?

I'll listen to local community organizations and citizens, all the different panelists. We want to know: do you believe that the

broadcasters are serving your local community? If they're doing it well, why are they doing it well? If they're not, what more should we be doing at the FCC?

I appreciate how important this is to all of you because you've given up a night with your family to help us work through these issues, and I very much appreciate that. I'm hoping that tonight's hearing will be worth your sacrifice, that you'll go home and say, "This was well worth it. I learned a lot and I made a difference." Not only will you provide the Commission with valuable information, but it will create a foundation for an ongoing dialogue between local broadcasters and the local community.

Communication can effectuate change, clarify misunderstandings and ease concerns; but I think both sides have to be willing to listen, and I know I'm here to listen. So, again, thanks to all of you for taking time out of your busy lives to be here today and to care about these issues. I'm looking forward to listening and learning.

(Applause.)

CHAIRMAN POWELL: Commissioner Copps.

COMMISSIONER COPPS: Tonight we continue a truly remarkable grassroots dialogue about the future

of the media. Over the past year, we have seen cascading national concern over what many Americans, myself included, see as disturbing trends in the media.

We have seen citizens from all over the country, conservative and liberal, Republican and Democrat, young and old, rural and urban, North and South, come together to express their concern, even their alarm.

For many months the discussion focused on new and looser ownership rules implemented by the Federal Communications Commission, the people asking how many, or perhaps more accurately how few broadcast stations, media conglomerates should be allowed to own, for what purposes are stations granted licenses, and how does the public interest fare in a more heavily concentrated environment?

This ownership dialogue continues in Congress, in the courts around the nation. Tonight we address core media values, particularly localism from a little different perspective; but we should realize that this is part of a larger discussion about protecting the people's interest in the people's airwaves. No one part of this grassroots dialogue can

be divorced from any other part. Media ownership is totally germane to any discussion of localism.

Let's begin at the beginning tonight reminding ourselves that all of us do indeed own the airwaves and that corporations are given the privilege of using this public asset and to profit from that use in exchange for their commitment to serve the public interest.

Broadcasters have been given very special privileges, and they have very special responsibilities to serve their local communities. Serving the public interest is supposed to be their lodestar.

Now, broadcasting is not an easy business. Many broadcasters still want to serve the public interest, but these days station owners are less and less captains of their own fate and more and more captives of unforgiving Wall Street and Madison Avenue financial expectations.

Some tell us the answer is to rely more and more on marketplace forces as a guarantor of the public interest. These people trust that the public interest will somehow magically trump the urge to build power and profit and that localism will somehow survive and thrive. I don't think we can afford to rely on

magic here.

Since the 1980's fundamental protections of the public interest have weakened and withered. Requirements like meeting with members of the community to determine the needs of the local audience, teeing up controversial issues for listeners and viewers, encouraging antagonistic points of view, and providing viewpoint and program diversity, to name just a few of the obligations — that once we had, and have no more.

In addition, the Commission pared back its license renewal process from one wherein we looked closely every three years at how stations were serving the public, to one we're in now. Companies need only send us a short form every eight years and their renewal wishes are granted. License renewal has become pretty much of a slam dunk, and it's not called postcard renewal for nothing.

This erosion of public interest protections comes at high and dangerous costs to the American people. Some call my concern excessive, but I feel in my bones that few priorities our country confronts have such long-term importance to our democracy as how America communicates and converses with itself and how this process has deteriorated in

recent years.

We've come to San Antonio to talk directly with members of this community and this state and to tap local expertise that can give us a look both broad and deep at what is happening here. How can we possibly know if licensees are serving their communities without hearing from the community?

Are stations adding to the civic dialogue? Are they encouraging local talent? Are they reaching out to minority groups within the community? And an issue on which I've focused attention since I came to the Commission: Are they adhering to community standards or are they airing excessive amounts of indecent and violent programming?

Few can deny that we are seeing a race to the bottom on our airwaves. Sometimes I wonder if there even is a bottom. Just this week we cited Clear Channel for apparent violations of the indecency statute on 26 different occasions, but the proposed fine doesn't rise above the cost of doing business for such a large conglomerate. We should have long since been fining violators for each utterance on a program, rather than treating the whole program as just one instance of indecency. That could represent a credible

fine.

(Applause.)

But we haven't been able to get ourselves there yet, and I mention Clear Channel because Clear Channel's headquarters are here, but I don't want to cite only Clear Channel. It is a pervasive problem and it is getting worse.

The industry collectively is doing next to nothing to clean up its act, but if we at the Commission could just bring ourselves to send one of these more outrageous cases to a hearing for license revocation, big media would get the message real quick, and they would begin to take us seriously, which they don't right now. There is something you can do to start taking back your airwaves.

The Commission began this past fall a process for all stations across this county to renew their licenses. We need your help with this. Stations are required to keep a public inspection file, but the Commission does not generally look at that file nor examine how a station has served its local community unless we hear from members of the community.

We rely on you to tell us if there is a problem in your community. There are various ways to